

MEMORANDUM TO: Joseph A. Spetrini  
Acting Assistant Secretary  
for Import Administration

FROM: Barbara E. Tillman  
Acting Deputy Assistant Secretary  
for Import Administration

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset  
Reviews of the Antidumping Duty Orders on Stainless Steel Wire  
Rods from Brazil, France, and India

### Summary

We have analyzed the substantive responses of the interested parties in the sunset reviews of the Antidumping Duty Orders (AD Orders) covering stainless steel wire rods from Brazil, France, and India. We recommend that you approve positions we developed in the "Discussion of the Issues" section of this memorandum. Below is the complete list of the issues in these sunset reviews for which we received substantive responses:

1. Likelihood of continuation or recurrence of dumping
2. Magnitude of the margin likely to prevail

### History of the Orders

On January 28, 1994, the Department published the Antidumping Duty Order: Certain Stainless Steel Wire Rods from Brazil at the following rates:<sup>1</sup>

#### Brazil

Acos Finos Piratini SA	26.50 percent
Acos Villares SA	26.50 percent

---

<sup>1</sup> Antidumping Duty Order: Certain Stainless Steel Wire Rods from Brazil 59 FR 4021 (January 28, 1994) (AD Order from Brazil) and Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rods from Brazil, 58 FR 68862 (December 29, 1993) (Final Determination of Sales at LTFV from Brazil).

Electrometal - Metalls Especiais S.A.	24.63 percent
All Others	25.88 percent

On January 28, 1994, the Department published the Amended Final Determination and Antidumping Duty Order: Certain Stainless Steel Wire Rods from France at the following rates:<sup>2</sup>

<u>France</u>	
Imphy	24.51 percent
Ugine-Savoie	24.51 percent
All Others	24.51 percent

On December 1, 1993 the Department published the Antidumping Duty Order: Certain Stainless Steel Wire Rods from India in the Federal Register with respect to imports of stainless steel wire rods from India at the following rates.<sup>3</sup>

#### India

Mukand Ltd.	48.80 percent
Sunstar Metals Ltd.	48.80 percent
Grand Foundry Ltd.	48.80 percent
All Others	48.80 percent

The Department conducted the first sunset reviews on imports of stainless steel wire rods from Brazil, France, and India, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act), and found that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping at the same rates as found in the original investigations.<sup>4</sup> The International Trade Commission (ITC) determined, pursuant to Section 751(c) of the Act, that revocation of the antidumping duty orders would be likely to lead to a continuation or recurrence

---

<sup>2</sup> Amended Final Determination and Antidumping Duty Order: Certain Stainless Steel Wire Rods from France 59 FR 4022 (January 28, 1994) (AD Order from France) and Final Determination of Sales at Less Than Fair Value: Certain Stainless Steel Wire Rods from France (December 29, 1993) (Final Determination of Sales at LTFV from France).

<sup>3</sup> Antidumping Duty Order: Certain Stainless Steel Wire Rods from India 58 FR 63335 (December 1, 1993)(AD Order from India); Final Determination of Sales at Less Than Fair Value: Certain Stainless Steel Wire Rods from India 58 FR 54110 (October 20, 1993) (Final Determination of Sales at LTFV from India).

<sup>4</sup> Notice of Final Results of Expedited Sunset Review: Stainless steel wire rods from France, 65 FR 5317 (February 3, 2000), Final Results of Expedited Sunset Review: Stainless Steel Wire Rods from India, 65 FR 5315 (February 3, 2000), and Final Results of Expedited Sunset Review: Stainless Steel Wire Rods from Brazil, 65 FR 5319 (February 3, 2000).

of material injury to an industry in the United States within a reasonably foreseeable time.<sup>5</sup> On August 2, 2000, the Department published the Continuation of Antidumping Duty Orders: Stainless Steel Wire Rod from Brazil, France, and India, 65 FR 47403 (Continuation of Antidumping Duty Orders: SSWR from Brazil, France, and India).

Since this publication, the Department has conducted no changed circumstance, administrative or new shipper reviews with respect to the orders on stainless steel wire rods from Brazil or France; the Department has completed five administrative reviews of the antidumping duty order on stainless steel wire rods from India. The Viraj Group, which obtained its own rate in a new shipper review prior to the publication of the first sunset review, was subsequently reviewed, and has since been revoked.<sup>6</sup> There were no changed circumstance reviews of antidumping duty order on stainless steel wire rods from India.

On July 1, 2005, the Department published the notice of initiation of the second sunset reviews of the antidumping duty orders on stainless steel wire rods from Brazil, France, and India pursuant to section 751(c) of the Act. See Initiation of Five-Year (Sunset) Reviews, 70 FR 38101 (July 1, 2005). The Department received notices of intent to participate on behalf of Carpenter Technology Corporation, Charter Specialty Steel, and Universal Stainless & Alloy Products, Inc. (collectively, the domestic interested parties), within the deadline specified in 19 CFR 351.218(d)(1)(i) of the Department's regulations (Sunset Regulations). The domestic interested parties claimed interested party status under Sections 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States.

We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from respondent interested parties with respect to any of the orders covered by these sunset reviews. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of these orders.

### Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department conducted these sunset reviews to determine whether revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews and the volume of imports of the subject merchandise for the periods before and the periods after the issuance of the antidumping duty orders. In addition, section 752(c)(3) of the Act provides that the Department

---

<sup>5</sup> Stainless Steel Wire Rod from Brazil, France, India and Spain, 65 FR 45409 (July 17, 2000).

<sup>6</sup> See Stainless Steel Wire Rod from India: Final Results of Antidumping Duty Administrative Review and Determination to Revoke Order in Part, 70 FR 40318 (July 13, 2005).

shall provide to the ITC, the magnitude of the margins of dumping likely to prevail if the orders were revoked. Below we address the comments of the interested parties.

1. Likelihood of Continuation or Recurrence of Dumping

Interested Parties' Comments

The domestic interested parties believe that, due to continued dumping, revocation of these antidumping duty orders would likely lead to a continuation or recurrence of dumping by manufacturers, producers, and exporters of the subject merchandise in Brazil, France, and India. See Substantive Response of domestic interested parties (August 1, 2005) at 16-19.

*Brazil:* The domestic interested parties state that imports ceased after the order was issued. Therefore, it is reasonable to assume that the exporters could not sell in the United States without dumping and that to reenter the U.S. market they would have to resume dumping. They also note that there have been no antidumping administrative reviews completed with regard to stainless steel wire rods from Brazil. Therefore, the original dumping margins, ranging from 24.63 percent to 26.50 *ad valorem*, remain in effect for Brazilian producers of stainless steel wire rods. In fact, in eight of the eleven years since the antidumping duty was imposed, no stainless steel wire rods were exported from Brazil to the United States. Thus, the cessation of imports of stainless steel wire rods from Brazil following the publication of the antidumping duty order combined with the significant antidumping duty margins, should result in the Department concluding that the revocation of the antidumping duty order on stainless steel wire rods from Brazil would lead to resumed dumping. See id. at 17.

*France:* The domestic interested parties believe that the assessment of antidumping duties has done nothing to discourage the French producers of subject merchandise from continuing to dump subject merchandise in the United States. Average import volumes from France fell by 31 percent in the eleven years following the imposition of the order relative to the period before the petition was filed. See id. at 18. In the investigation, the Department found an antidumping margin of 24.51 percent. In the three administrative reviews conducted between the order and the publication of the Continuation of Antidumping Duty Orders: SSWR from Brazil, France, and India, the Department has found margins ranging from 7.19 to 14.15 percent. The domestic interested parties conclude that since there is continued dumping with the discipline of an order in place, it is reasonable to conclude that French producers and/or exporters of stainless steel wire rods cannot sell their product competitively in the United States at normal value. Thus, it is reasonable to assume that the revocation of the current order on stainless steel wire rods from France would result in continued dumping. See id. at 17-18.

*India:* The domestic interested parties believe that the assessment of antidumping duties has had a dramatic effect on the volume of subject merchandise imported into the United States. As a result of imposing antidumping duties, imports of stainless steel wire rods from India have declined dramatically. In the investigation, the Department calculated antidumping duty margins

of 48.80 percent *ad valorem* for individual respondents investigated. Given that the producers and exporters of stainless steel wire rods have not been able to sell their subject merchandise in the United States in volumes anywhere near that quantity of subject merchandise sold prior to the publication of the antidumping duty order, the Department should conclude that revocation of the antidumping duty order would remove the discipline the order has imposed on Indian producers and/or exporters, and would result in the continuation or recurrence of dumping. See id. at 18-19.

### Department's Position

Consistent with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (URAA), specifically the Statement of Administrative Action (SAA), H.R. Doc 103-316, vol. 1 (1994), the House Report, H. Rep. No. 103-826, pt. 1 (1994)(House Report), and the Senate Report, S. Rep. No. 103-412 (1994), the Department's determinations of likelihood will be made on an order-wide basis.<sup>7</sup> In addition, the Department normally will determine that revocation of an antidumping duty order is likely lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.<sup>8</sup> In addition, pursuant to 752(c)(1)(B) of the Act, the Department considers the volume of imports of the subject merchandise for the period before and after the issuance of the antidumping order.

*Brazil:* Using statistics provided by the domestic interested parties in their August 1, 2005 response at Attachment 2 and the data on the USITC's dataweb, the Department finds that imports of Brazilian stainless steel wire rods were 7 short tons in 2004 and that in eight of the eleven years since the antidumping duty was imposed, no stainless steel wire rods were exported to the United States. Given that there have been no reviews since the investigation and given also the significant decline in the volume of imports following the issuance of the antidumping duty order, the Department determines that dumping is likely to continue or recur if the order were revoked.

*France:* Using statistics provided by the domestic interested parties in their August 1, 2005 response at Attachment 2 and the data on the USITC's dataweb, the Department finds that imports of French stainless steel wire rods have fluctuated since 2000 – the year the continuation of this antidumping duty order was published. Also, there was a significant decrease in the volume of imports in 1993, the year the less-than-fair-value (LTFV) investigation commenced. Given these combined facts, the Department determines that dumping is likely to continue or recur if the order were revoked.

---

<sup>7</sup> See SAA at 879 and House Report at 56.

<sup>8</sup> See SAA at 889 and 890, House Report at 63-64, and Senate Report at 52.

*India:* Using statistics provided by the domestic interested parties in their August 1, 2005 response at Attachment 2 and the data on the USITC's dataweb, the Department finds that Indian imports of stainless steel wire rods have been declining from 8316 short tons since 2000 – the year the continuation of this antidumping duty order was published – to 1570 short tons in 2004. There have been four administrative reviews conducted since the first sunset review of stainless steel wire rods from India, in which continued dumping has been found. Given that dumping continues and imports have been declining, the Department determines that dumping is likely to continue or recur if the order were revoked.

## 2. Magnitude of the Margin Likely to Prevail

### Interested Party Comments

*Brazil:* In their August 1, 2005, substantive response, the domestic interested parties request that the Department report to the ITC the margin determined in the final LTFV determination in accordance with the SAA. Substantive Response of domestic interested parties (August 1, 2005) at 20.

*France:* In their August 1, 2005, substantive response, the domestic interested parties request that the Department report to the ITC the margin determined in the final LTFV determination in accordance with the SAA. See id. at page 20.

*India:* In their August 1, 2005, substantive response, the domestic interested parties request that the Department report to the ITC the margin determined in the final LTFV determination in accordance with the SAA. See id. at 20-21.

### Department's Position

Normally, the Department will provide to the ITC the company-specific margin from the investigation for each company. For companies not investigated specifically, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. The Department's preference for selecting a margin from the investigation is based on the fact that it is the only calculated rate that reflects the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place. SAA at 890. Under certain circumstances, however, the Department may select a more recently calculated margin to report to the ITC.

Since the first sunset review, the Department has conducted no administrative reviews of the AD Order on SSWR from Brazil and the AD Order on SSWR from France. Therefore, the Department must determine the appropriate rates to report to the ITC regarding stainless steel wire rods from Brazil and France. The Department finds that it is appropriate to provide the ITC with the rates from the investigation, which were used in the first sunset review, because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters

without the discipline of an order in place.<sup>9</sup> Thus, the Department will report to the ITC these same margins as listed in the Final Results section.

With respect to the AD Order on SSWR from India, in the first sunset review the Department reported 48.80% for Mukhand Ltd. (Mukhand), Sunstar Metals Ltd., Grand Foundry Ltd., as well as for the “all others” rate to the ITC.<sup>10</sup> Since the first sunset review, the Department has completed administrative reviews of Mukhand that resulted in Mukhand receiving antidumping duty rates of 26.38% and 18.67%. Since the first sunset review we have also reviewed Chandan once and Isibars Limited (Isibars) twice. Chandan received an antidumping duty rate of 2.10 % while Isibars received antidumping duty rates of 48.80% and 27.20%. In this sunset review, the domestic interested parties request that the Department continue to use the investigation rate. Again, the Department finds that it is appropriate to provide the ITC with rates from the investigation because these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. Thus, the Department will report to the ITC the same margins as listed in the “Final Results” section.

#### Final Results of Review

We determine that revocation of the antidumping duty orders on stainless steel wire rods from Brazil, France, and India would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

---

<sup>9</sup> See Final Determination of Sales at LTFV from Brazil, Final Determination of Sales at LTFV from France), and Continuation of Antidumping Duty Orders: SSWR from Brazil, France, and India.

<sup>10</sup> Final Determination of Sales at LTFV from India and Continuation of Antidumping Duty Orders: SSWR from Brazil, France, and India.

Manufacturers/Exporters/Producers	Weighted-Average Margins
<u>Brazil</u>	
Acos Finos Piratini SA	26.50 percent
Acos Villares SA	26.50 percent
Electrometal - Metalls Especiais S.A.	24.63 percent
All Others	25.88 percent
<u>France</u>	
Imphy	24.51 percent
Uguine-Savoie	24.51 percent
All Others	24.51 percent
<u>India</u>	
Mukand Ltd.	48.80 percent
Sunstar Metals Ltd.	48.80 percent
Grand Foundry Ltd.	48.80 percent
All Others	48.80 percent

#### Recommendation

Based on our analysis of the responses received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of review in the Federal Register.

AGREE\_\_\_\_\_

DISAGREE\_\_\_\_\_

\_\_\_\_\_  
Joseph A. Spetrini  
Acting Assistant Secretary  
for Import Administration

\_\_\_\_\_  
(Date)